

SENATE BILL REPORT

ESB 5894

As Amended by House, April 22, 2009

Title: An act relating to authorizing the utilities and transportation commission to forbear from rate and service regulation of certain transportation services.

Brief Description: Authorizing the utilities and transportation commission to forbear from rate and service regulation of certain transportation services.

Sponsors: Senators Haugen and Parlette.

Brief History:

Committee Activity: Transportation: 2/17/09, 2/18/09 [DPS].

Passed Senate: 3/11/09, 46-3.

Passed House: 4/09/09, 97-0; 4/22/09, 97-0.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5894 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Marr, Vice Chair; Swecker, Ranking Minority Member; Becker, Berkey, Delvin, Eide, Jarrett, Kastama, Kauffman, Kilmer, King and Ranker.

Staff: Dory Nicpon (786-7321)

Background: An auto transportation company is a company that transports people between fixed termini or over a regular route on public highways for compensation, but does not operate exclusively within a city or town.

A charter party carrier receives compensation to transport a group of persons who, pursuant to a common purpose and under a single contract, travel together as a group to a specified destination or for a particular itinerary.

An excursion service carrier receives individually assessed fares to transport people from a city or town to elsewhere in the state and back to the point of origin, without picking up or dropping off passengers after leaving and before returning to the area of origin.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Under current law, the Utilities and Transportation Commission (UTC) must regulate the rates and service of auto transportation companies and commercial ferry service providers. In exchange for exclusive operating rights in a specified territory, an auto transportation company or commercial ferry service provider commits to a level of service and tariff. Changes to the level of service or tariff must be reviewed by the UTC.

UTC also regulates the safety and insurance of charter party carriers, excursion service carriers, and auto transportation companies.

The Department of Transportation (DOT) administers grant programs to some service providers that meet the statutory definition of an auto transportation company. Some state agencies contract with auto transportation companies, or charter or excursion carriers, to provide service.

Summary of Engrossed Bill: UTC may exempt a transportation service from the rate and service regulation applicable to auto transportation companies if the service does not serve an essential transportation purpose; is solely for recreation; and would not adversely affect the operations of a regulated auto transportation company. The company providing the service must obtain a permit under the passenger charter carriers chapter, and UTC continues to regulate the company with respect to safety and insurance requirements.

The rate and service regulations applicable to auto transportation companies do not apply to a transportation service if UTC finds that the service is pursuant to a contract with a state agency or a grant issued by DOT.

UTC may exempt a commercial ferry service provider from rate and service regulation if UTC finds, after an opportunity for any operator within the same territory to be heard, that the service does not serve an essential transportation service; is solely for recreation; and would not adversely affect the rates of services of an existing operator.

Clarification is added regarding the inapplicability of ride sharing benefits to a non-profit transportation provider that has a contract or grant with DOT and is registered with UTC, but does not serve special needs clients.

Within existing resources, the UTC will study the appropriateness of rate and service regulation of commercial ferries operating on Lake Chelan.

Appropriation: None.

Fiscal Note: Available.

[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The letter of the law requires the UTC to regulate rates and services in circumstances that may not warrant such regulation. This bill

will allow state agencies to contract for services without unnecessary rate and service level regulation.

Persons Testifying: PRO: Dave Danner, UTC; Don Chartock, DOT.

House Amendment(s): Requires a hearing prior to a determination by the UTC that a commercial ferry service is solely for recreation and thus eligible for exemption from certification and economic regulation.